State of Affairs

2ND QUARTER 2024

As we close out the first half of 2024, we take the opportunity to assess the current investment environment for the fund's three core event driven strategies: arbitrage, catalyst driven credit, and catalyst driven equities.

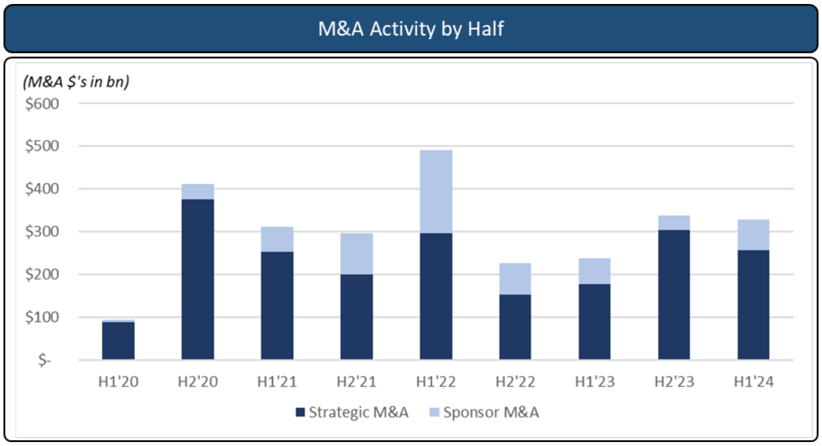
Corporate actions generate the security mis-pricings that form the fund's opportunity set for alpha generation, and we continued to see high levels of corporate activity through the first half of 2024. The rising tide of easy money that lifted all boats following the pandemic has plateaued for all but a select few companies and sectors. Consequently, many management teams are being more proactive in assessing and executing corporate actions to unlock shareholder value, while activists and vocal stakeholders are pressing the more recalcitrant management teams to do the same. Given that backdrop, herein, we assess the current state of affairs for the event driven investment environment.

Corporate Activity - Bouncing Off the Bottom with Room to Run

Following two years of depressed capital markets activity, corporate management teams and boards are more acclimated to the macro-economic environment and increasingly willing to pursue definitive strategic activities. It is not merely the overall level of interest rates that impact deal flow, but the velocity and volatility of changes in rates. As volatility has subsided across the interest rate curve, the bid-ask spread between buyers and sellers of corporate assets has narrowed, which has created a more conducive deal-making environment. Strategic buyers have stepped up to the plate and become much more active in mergers and acquisitions (M&A) year to date, driving the lion's share of deal activity, per Exhibit 1.

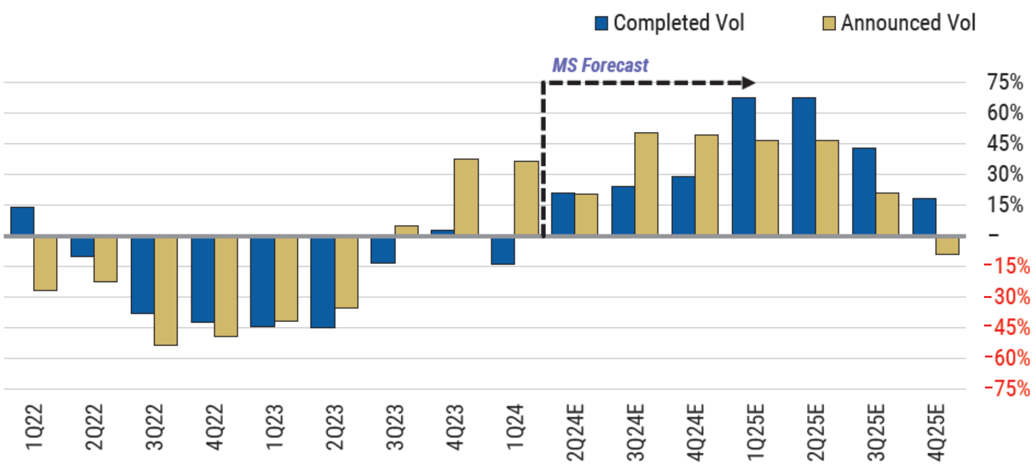
In the second quarter of 2024, public global M&A announced volumes rose 3% y/y and completed volumes increased 17% y/y. While the rebound has been muted so far, it is moving in the right direction with a backdrop of rising equity indices and increasing capital markets activity supported by more accessible financing. Looking into the next twelve months, we expect a return of traditional leveraged buyout (LBO) activity as financial sponsors have a massive amount of dry powder to deploy into prospective deals.

Exhibit 1: Strategic M&A Leading the Charge During 1H2024



Source: GS Special Situations desk as of June 28, 2024.

Exhibit 2: Year to Date Global M&A Activity Gaining Momentum

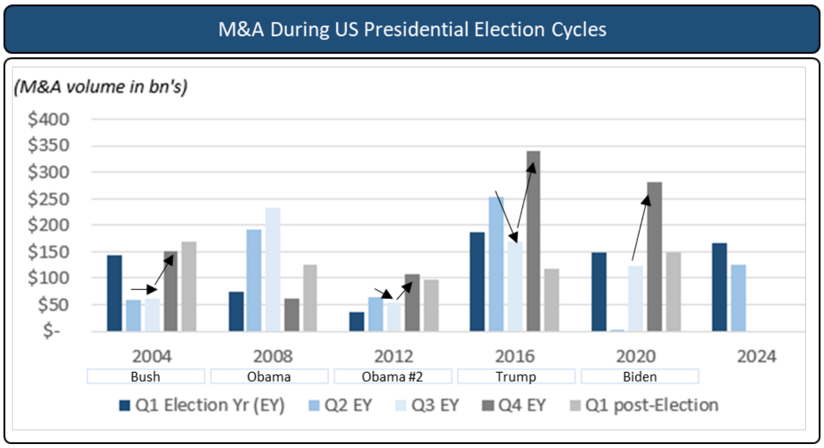


Source: Dealogic, Morgan Stanley Research estimates

Election Uncertainty Impact

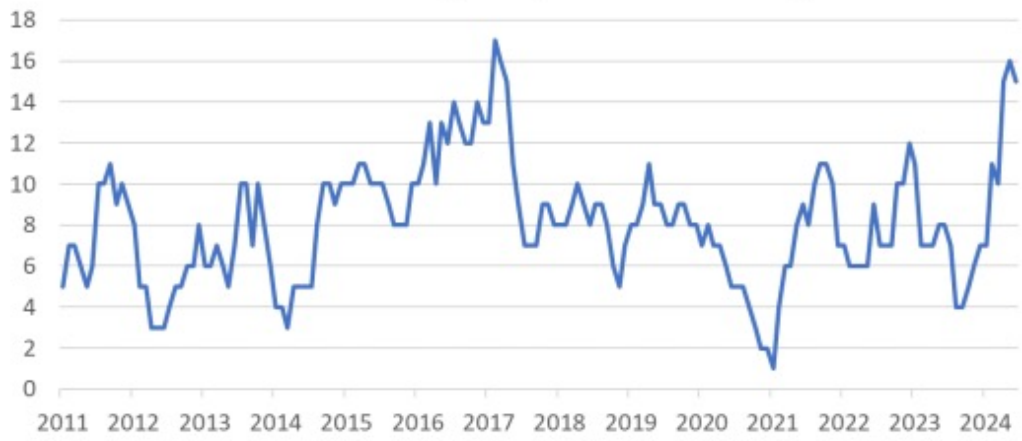
Uncertainty surrounding the election outcome counterbalances the recent momentum in M&A activity. Just as financial uncertainty can place a governor on the pace of deal activity, a lack of regulatory clarity can also stimy transactional volumes. While this is the case in most election cycles – as seen in Exhibit 3 – this election will have an outsized impact on the fate of the regulatory backdrop. The current administration and regulatory regime (namely the Federal Trade Commission (FTC) and the Department of Justice (DoJ)) have been remarkably litigious and aggressive in their oversight of M&A. In fact, the current level of FTC second requests of 16 action items is at near all-time highs. Coupled with a handful of anticipated second requests to come, there may be up to 20 actions in place, a level never reached before. Additionally, there have been 37 deals that have been abandoned during the current FTC regime led by Lina Khan. Certainly, the regulators are making their presence felt. With less than five months left until a potential new administration, we anticipate that corporates looking to consummate deals may pause to gain more clarity on the post-election regulatory oversight environment.

Exhibit 3: M&A During Presidential Election Cycles



Source: GS Special Situations desk as of June 28, 2024.

Exhibit 4: Near Record Number of Outstanding 2nd Requests Under the Current FTC



Source: Morgan Stanley

Corporate Boards and C-Suites: Time to Act

The narrow breadth of the market rally exhibited by broad indices year to date has driven many management teams to the conclusion that they must be more proactive in their efforts to unlock value. No longer having the significant tailwind of low rates and FED liquidity to increase their share price, many corporates are utilizing corporate actions and capital allocation programs to shine a light on the value underlying their businesses.

Specifically, we are observing companies implement accelerated share repurchase programs via tenders at an increasing rate, as highlighted in Exhibit 5. Splits and spin-offs have become en vogue as companies seek to catalyze value realization via market transactions.

On the other end of the spectrum, shareholder activism is gaining momentum as boards can no longer simply hide behind a rising share price driven by upside beta to easy financing. This renewed sense of urgency from both shareholders and corporate decision makers is likely to increase as small-, mid- and large-cap stocks seek to catch up to the market rally that has been driven by a select few mega-cap stocks.

Exhibit 5: A Renewed Source of Corporate Activity: Tenders, Splits and Spins

Recently Completed Self Tender Offers

US Self-Tenders (Dutch & Fixed) by Calender Year...

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Annlzd 2024	2024 Rank
US tenders #	19	15	26	22	26	36	23	22	26	28	24	27	20	14	9	18	13th
Total US tenders $mm	4,911	8,095	3,136	5,859	3,299	9,035	4,035	8,139	57,750	14,995	8,667	9,359	6,375	2,632	7,979	15,957	2nd
Avg US tender size $mm	$258	$540	$121	$266	$127	$251	$175	$370	$2,221	$536	$361	$347	$319	$188	$887		

Spinoff Environment

Spinoffs by Calender Year...

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Annlz'd 2024	24 Rank since '10
Announced Spins #	10	22	22	36	47	44	15	27	25	16	17	32	38	20	9	18	11th
Completed Spun $Bn	$17	$50	$71	$113	$143	$176	$98	$66	$48	$137	$72	$118	$98	$118	$55	109	7th

*One step full and majority spins, 2nd step spins & splits, carveout IPOs, stake and partial Divs, RMT separations

Source: Morgan Stanley. Note: Fixed tender offers specify a maximum quantity. While Dutch tender offers specify maximum and minimum tender prices.

Where to Now?

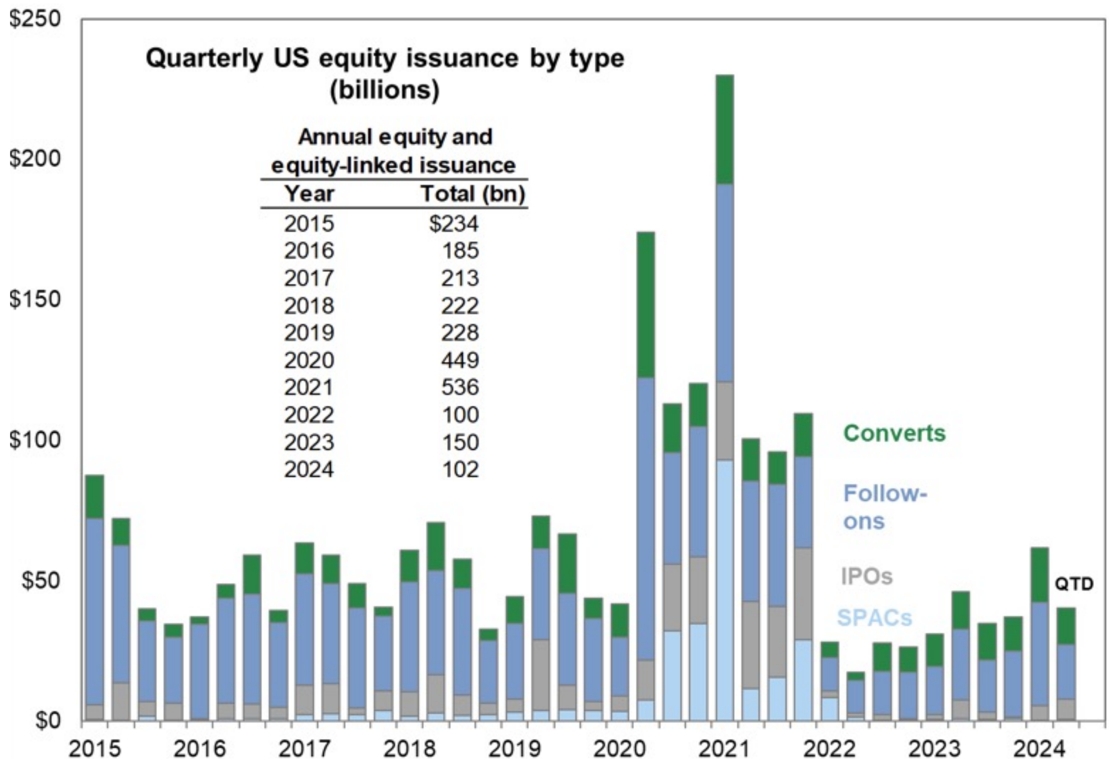
With an equity rally that has left most companies on the sidelines (Exhibit 6), management teams are feeling the pressure to unlock value. Historically, this has led to heightened corporate activity. While the current uncertainty surrounding the election will work to temper M&A activity in the near term, we suspect that a resolution in November will spark a flurry of activity in the ensuing quarters. Further, the overall level of capital markets activity should continue its upward trajectory from the subdued levels of 2022-2023.

As an Event Driven fund, we welcome this development. Across our investment sub strategies and asset classes, the fund continues to identify a robust opportunity set to capitalize on the shifting landscape of idiosyncratic corporate actions.

Exhibit 6: A Very Concentrated Equity Market Rally YTD

Source: Bloomberg
Note: 2024 is year-to-date through Tuesday, June 25

Exhibit 7: Equity Capital Markets Activity Continues to Inflect Upward



Source: Goldman Sachs

For the second quarter of 2024, the Driehaus Event Driven Fund returned -2.69% and the S&P 500 Index returned 4.28%.[1] The catalyst driven credit investment strategy was the fund's biggest contributor (0.73%). The arbitrage (-0.70%), catalyst driven equities (-3.14%), and portfolio hedges (0.38%) strategies accounted for the remainder of the fund performance.

The largest contributors for the quarter were an independent power producer (IPP) benefitting from a recent acquisition and increasing power prices (0.13%), and two portfolio hedges in the small cap (0.12%) and biotech space (0.11%). The largest detractors for the quarter were an industrial company awaiting approval of an acquisition (-0.71%), a regional gaming operator that recently completed an asset sale (-0.59%), and a building products distributor (-0.40%).

Best,

Mike, Tom and Yoav

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit www.driehaus.com for more current performance information.

Driehaus Event Driven Fund

% Quarter-End Performance (as of 6/30/24)

	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception[1]
			Annualized				
Driehaus Event Driven Fund	-2.69	-0.65	5.80	-0.31	5.97	4.14	5.04
S&P 500 Index[2]	4.28	15.29	24.56	10.01	15.05	12.86	13.69
Morningstar Event Driven Category[3]	-0.19	0.42	5.13	1.39	3.61	3.14	3.45
Alpha to S&P 500 Index	--	--	1.58%	-2.78%	2.31%	0.41%	1.02%
Beta to S&P 500 Index	--	--	0.2	0.2	0.2	0.3	0.3
Correlation to S&P 500 Index	--	0.4	0.4	0.6	0.6	0.6	0.6
Volatility as a % of S&P 500 Index	--	--	46%	39%	40%	48%	--

Morningstar Event Driven Rankings[5] (as of 6/30/24)

	1 Year	3 Year	5 Year	10 Year
Number of Funds in Category	39	39	39	31
Position - DEVDX	22	32	3	5
Percentile Ranking - DEVDX	**56%**	**82%**	**8%**	**16%**

Source: Driehaus Capital Management, FactSet
Data as of 6/30/24

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[1]The Driehaus Event Driven Fund has an inception date of August 26, 2013. [2]The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. [3]The Morningstar Event Driven Category is generally representative of mutual funds that primarily employ strategies that seek to profit from corporate actions, such as mergers and acquisitions. Mutual funds in this category typically focus on equity securities but can invest across the capital structure. However, they typically have low to moderate equity market sensitivity since company-specific developments tend to drive security prices. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2024. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented. A shareholder may be required to pay a commission to their financial intermediary. [5]Morningstar Event Driven (all share classes). Data based on monthly returns of 39, 39, 39 and 31 mutual funds (all share classes) for the one, three, five and ten year periods respectively. Net of fees. Past performance is no guarantee of future results.

Terms. **Beta:** A measure of a portfolio's volatility compared to that of the market as a whole. **Effective Duration:** Duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Spread Duration:** The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread.

Ticker
DEVDX

Fund Overview

- The Driehaus Event Driven Fund seeks to generate consistently high alpha, low beta and low correlation to major market indexes.
- The fund invests long and short in equities and bonds that we believe are mispriced due to an announced or anticipated idiosyncratic corporate action and/or special situation.
- The fund's long/short hedged portfolio construction is designed to generate idiosyncratic returns, reduce market exposure and provide downside protection.
- The opportunistic mandate across asset classes ensures a robust investment landscape throughout the market cycle.

The Driehaus Event Driven Fund seeks to provide:

- Superior risk-adjusted returns
- Consistently strong alpha with minimized beta
- Low volatility and correlation to major asset classes
- Absolute Returns with low market exposure

Facts

Inception Date	8/26/13
Fund Assets Under Management	$207M
Strategy Assets	$462M
Firm Assets Under Management	$18.0B

Annual Operating Expenses[4]

Gross Expenses	1.60%
Net Expenses	1.60%

Portfolio Management

Yoav Sharon, Portfolio Manager
19 years industry experience

Tom McCauley, Portfolio Manager
18 years industry experience

Michael Caldwell, Portfolio Manager
17 years of industry experience

DEVDX Portfolio Characteristics*

Fund Information

Catalyst Spectrum

Hard	Mergers & Acquisitions	Opportunistic Credit Reorganizations Refinancings Recapitalizations	Capital Allocation Repurchases Divestitures & Asset Sales	Special Situations Spin-offs SPACs IPOs	Activism Collaborative Incentive Alignment	Regulatory Data Releases Bank Regulation	Post M&A Combinations Synergies Shareholder Transition	Soft

Investment Strategy

	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Arbitrage	16.7%	-5.8%	22.5%	10.9%
Credit	36.2%	-0.5%	36.7%	35.7%
Equity	24.0%	0.0%	24.0%	24.0%
Hedges	0.0%	-14.4%	14.4%	-14.4%

Overall Morningstar Rating™

Based on risk-adjusted returns as of 6/30/24

★★★★

All Share Classes among 39 Funds in the Event Driven Category

Sector

GICS[1]	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Communication Services	1.5%	0.0%	1.5%	1.5%
Consumer Discretionary	18.3%	-2.0%	20.2%	16.3%
Consumer Staples	1.4%	0.0%	1.4%	1.4%
Energy	0.4%	0.0%	0.4%	0.4%
Financials	23.8%	-3.5%	27.3%	20.3%
Health Care	8.5%	0.0%	8.5%	8.5%
Industrials	12.2%	-3.6%	15.8%	8.6%
Information Technology	3.3%	0.0%	3.3%	3.3%
Materials	0.0%	0.0%	0.0%	0.0%
Real Estate	0.0%	0.0%	0.0%	0.0%
Utilities	7.6%	0.0%	7.6%	7.6%
Other[2]	0.0%	-8.5%	8.5%	-8.5%

Top Contributors/Detractors (by Investment Strategy)

Top 5	
Credit	0.13%
Hedges	0.12%
Hedges	0.11%
Credit	0.09%
Credit	0.09%
Total	0.53%

Bottom 5	
Equity	-0.71%
Equity	-0.59%
Equity	-0.40%
Equity	-0.36%
Arbitrage	-0.31%
Total	-2.37%

Source: Driehaus Capital Management, FactSet

Quarterly Contribution to Return (by Investment Strategy)

	April	May	June	2nd Quarter
Arbitrage	-0.65%	-0.12%	0.06%	-0.70%
Credit	0.17%	0.41%	0.09%	0.73%
Equity	-2.94%	-0.12%	-0.08%	-3.14%
Hedges	1.07%	-0.56%	-0.14%	0.38%
Cash/Expenses[3]	0.11%	-0.07%	0.03%	0.07%
Total	-2.25%	-0.45%	-0.04%	-2.67%

Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices,-exposure represents bond equivalent exposure. [1]The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity. [2]The Other Industry Sector data is not categorized within the GICS classification system. [3]Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month. Interest on cash balances is netted against fund expenses.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Driehaus Event Driven Fund has a two star rating for the three year period, and four star rating for the five and ten year periods, with 39, 39 and 31 funds respectively in the category.

Driehaus Event Driven Fund

Sector Breakout by Top Weighted Investment Strategy

Sector	Investment Strategy	Security Type	Average Weight	Contribution To Return
Communication Services			**4.19**	**-0.25**
	Credit	Corporate	2.12	0.03
	Credit	Bank Loan	1.45	0.03
	Arbitrage	Equity Common	0.63	-0.31
Consumer Discretionary			**17.76**	**-0.90**
	Credit	Corporate	3.93	0.02
	Equity	Equity Common	3.41	-0.59
	Arbitrage	Corporate	2.68	-0.13
	Arbitrage	Corporate	2.07	0.00
	Credit	Bank Loan	1.62	0.02
Consumer Staples			**1.42**	**-0.11**
	Arbitrage	Equity Common	1.42	-0.11
Energy			**0.45**	**0.03**
	Equity	Equity Common	0.43	0.03
	Credit	Corporate	0.02	0.00
Financials			**15.75**	**-0.42**
	Credit	Corporate	4.84	0.00
	Arbitrage	Equity Common	3.56	-0.48
	Equity	Equity Common	3.09	-0.10
	Credit	Corporate	2.37	0.07
	Credit	Corporate	1.94	0.09
Health Care			**5.42**	**-0.94**
	Equity	Equity Common	4.42	-0.23
	Hedges	Exchange Traded Fund	-3.04	0.11
	Equity	Equity Common	2.67	-0.27
	Equity	Equity Common	0.70	-0.18
	Equity	Equity Common	0.66	-0.36
Industrials			**14.24**	**-1.03**
	Equity	Equity Common	3.24	-0.71
	Credit	Corporate	3.18	0.09
	Credit	Preferred	2.59	0.03
	Equity	Equity Common	2.15	-0.40
	Credit	Corporate	2.13	0.04
Information Technology			**0.65**	**0.00**
	Arbitrage	Private Equity	0.64	0.00
	Arbitrage	Warrant / Right	0.01	0.00
Utilities			**7.54**	**0.21**
	Credit	Corporate	4.37	0.08
	Credit	Corporate	3.14	0.13
	Credit	Corporate	0.02	0.00

Important Disclosures
Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market.

The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales.

Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to under performing results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a non diversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

Fund holdings are subject to change and should not be viewed as a recommendation to buy or sell any security. Dividends are not guaranteed and may fluctuate.

Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111. Please read the prospectus and summary prospectus carefully before investing.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on July 9, 2024 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

Foreside Financial Services, LLC, Distributor

FUND INFORMATION

Types of events in which the fund frequently invests include:

Corporate action: Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

Earnings: A trade involving an upside or downside surprise to earnings versus market expectations.

Market dislocation: Any mispricing of a security for a non-fundamental reason.

Product cycle: A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

Restructuring: A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

Types of trades in which the fund frequently invests include:

Bond catalyst driven: Event-driven trades that are expressed predominately through bond positions.

Deep value: Trade that attempts to capture the mispricing of an extremely undervalued security.

Equity catalyst driven: Event-driven trades that are expressed predominately through equity positions.

Portfolio hedge: A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

Risk arbitrage: Trades that attempt to capture a valuation discrepancy between similar securities.

DEFINITIONS OF KEY TERMS

Credit Default Swap (CDS) - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

Delta - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

Derivatives Premium – Value of a derivatives contract.

Effective Duration - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Portfolio Coupon - The annualized interest earned for the portfolio.

Portfolio Current Yield - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

Portfolio Yield-to-Worst - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Spread Duration - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

Swap - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

Special Purpose Acquisition Company (SPAC) - a company with no commercial operations that is formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing company.

Leveraged Buyout (LBO) - the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) - a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Return on Invested Capital (ROIC) - a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

Mortgage Servicing Rights (MSR) - a contractual agreement in which the right to service an existing mortgage is sold by the original mortgage lender to another party that specializes in the various functions involved with servicing mortgages.

High Yield (HY) - are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

Investment Grade (IG) - Bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies.

World Government Bonds Benchmark – yields over a variety of short-, medium- and long-term time frames for a global array of government bonds.

Russell 2000 Index (RTY) – is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization.

Credit Default Index (CDX) – is a financial instrument composed of a set of credit securities issued by North American or emerging market companies.

Risk-Free Rate – the theoretical return attributed to an investment that provides a guaranteed return with zero risks.

Risk Premium – the investment return an asset is expected to yield in excess of the risk-free rate of return.

Par – the fact value of a bond or stock, as stated in the issuing company's corporate charter.

Drawdown – a peak-to-trough decline during a specific period for an investment, trading account, or fund.

Yield to Call – refers to the return a bondholder receives if the bond is held until the call date, which occurs sometime before it reaches maturity.

Hurdle Rate – is the minimum required rate of return or target rate that investors are expecting to receive on an investment.

Free Cash Flow – is the amount by which a business's operating cash flow exceeds its working capital needs and expenditures on fixed assets.

Alpha – is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

Sharpe Ratio – is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

Arbitrage Spread – is a difference in price between two markets or exchanges for a particular security, currency, or commodity.

Basis Point (BP) – a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument.

Percentage Point (PP) – the term is used when comparing two different percentages.

Return-to-Risk Ratio – marks the prospective reward an investor can earn for every dollar they risk on an investment.

Volatility – a measure of dispersion around the mean or average return of a security. We define volatility as standard deviation.

Standard Deviation – A statistical measure of the degree to which an individual portfolio return tends to vary from the mean, based on the entire population. The greater degree of dispersion, the greater degree of risk.